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ROBINSON COTTON MILLS  
LIMITED



*Forty-Fourth Annual Report*

Year ended December Thirty-First

*1967*



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# ROBINSON COTTON MILLS LIMITED

## TO THE SHAREHOLDERS:

The Directors present herewith the 44th Annual Report of your Company and the Balance Sheet and related Statements of Income for the fiscal year ended December 31, 1967.

Your attention is directed to the Auditor's Report and to the various notes accompanying the Balance Sheet.

The following two paragraphs are repeated from the 1966 Annual Report to refresh your memory:

"In April 1967 your Company and W. W. Robinson commenced an action in The Supreme Court of Ontario claiming, among other things, for rescision of the transaction concerning the purchase by your Company of the alleged shares of Pinnacle Homes (Chateaugay) Ltd., recovery of the purchase moneys of \$580,000.00, and damages. In the spring of 1966, C & T Investments (Bahamas) Limited, under the contractual obligations it entered into when it purported to acquire a substantial majority of the issued common shares of your Company, became liable to pay a further 75 cents per common share to those shareholders who sold some of their common shares. These monies were not paid and therefore in April 1967, W. W. Robinson and W. H. Robinson, on behalf of themselves and all the other original selling shareholders of your Company, commenced an action in The Supreme Court of Ontario against C & T Investments (Bahamas) Limited for recovery of the aforementioned moneys owing by it amounting in all to \$84,909.40.

The aforementioned two actions are now pending and you will be advised as to progress from time to time."

In addition to the two actions referred to above, W. W. Robinson for himself, took action against C & T Investments (Bahamas) Limited, in The Supreme Court of Ontario, to recover \$167,922.51 owing to him.

We are pleased to report that the three actions referred to above were concluded on May 25, 1967, per Minutes of Settlement, approved by The Supreme Court of Ontario whereby the 111,486 shares acquired by C & T Investments (Bahamas) Limited, were awarded to W. W. Robinson in settlement of a total claim of:

\$167,922.51 being monies owing to him by C & T  
\$350,000.00 being security, for him having paid a Bank loan for like amount  
\$ 83,614.50 being 75¢ per share on 111,486 shares  
\$601,537.01

While full allowable depreciation has been taken on motor vehicles, you will observe that by note 1, again no depreciation has been provided for on mill buildings. The reason for this is that the replacement value of these assets is far in excess of the book value shown in the Balance Sheet.

You will note that the year's operations resulted more profitably than in recent years. Against a profit of \$19,094.00 in the year ended December 31, 1966, the profit in 1967 was \$54,773.00 which resulted in a net income for the year of \$46,273.00 after provision for Income Taxes of \$8,500.00. It is anticipated that results will be as good if not better in the current year.

Subsequent to the fiscal year end, the Company sold its farm property consisting of 66.96 acres for the sum of \$200,000.00.

Your Directors wish to express their appreciation to the Management and Employees for their co-operation during the year.

On Behalf of the Board,

W. H. ROBINSON  
*President and Managing Director*

May 1st, 1968



# ROBINSON

(Incorporated under the laws of the Province of Ontario)

*Balance Sheet*

December 31, 1967

(with comparative figures for 1966)

## ASSETS

	<u>1967</u>	<u>1966</u>
<b>CURRENT ASSETS:</b>		
Cash and short-term deposit.....	\$ 34,882	\$ 33,547
Accounts receivable		
Services.....	28,294	27,008
Other.....	78	2,198
Prepaid expenses.....	5,207	6,047
	<u>68,461</u>	<u>68,800</u>
 INVESTMENT IN PINACLE HOMES (CHATEAUGAY) LTD., at nominal value.....		 <u>1</u>
 <b>FIXED ASSETS AT COST (note 1)</b>		
Land.....	18,874	18,874
Buildings.....	785,206	785,206
Equipment.....	91,940	91,940
Trucks.....	11,638	11,638
	<u>907,658</u>	<u>907,658</u>
 Less accumulated depreciation.....	<u>574,155</u>	<u>573,867</u>
	<u>333,503</u>	<u>333,791</u>
	<u>\$401,964</u>	<u>\$402,592</u>

APPROVED ON

W. W. ROBINSON, *Director*

AUDITOR

To the Shareholders of

ROBINSON COTTON MILLS LIMITED

We have examined the balance sheet of Robinson Cotton Mills Limited of funds for the year then ended. Our examination included a general review of evidence as we considered necessary in the circumstances.

Subject to the omission of depreciation indicated in note 1, we report the company as at December 31, 1967 and the results of its operations and generally accepted accounting principles applied on a basis consistent with the

Toronto, Canada  
February 5, 1968

# TTON MILLS

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e laws of Ontario)

## Sheet

1, 1967

s at December 31, 1966)

### LIABILITIES

	<u>1967</u>	<u>1966</u>
CURRENT LIABILITIES:		
Loan from director (note 2).....	\$340,000	\$350,000
Loan from shareholder.....		20,000
Accounts payable and accrued liabilities.....	14,521	39,921
Income taxes payable.....	8,500	
	<u>363,021</u>	<u>409,921</u>

### SHAREHOLDERS' EQUITY (DEFICIENCY)

#### CAPITAL STOCK:

##### Authorized:

140,000 3% non-cumulative preference shares, redeemable at  
par value of \$5 per share

300,000 common shares of no par value

##### Issued

150,000 common shares..... 292,000 292,000

Deficit..... 253,057 299,329

38,943 (7,329)

\$401,964 \$402,592

F OF THE BOARD

W. H. ROBINSON, *Director*

## REPORT

December 31, 1967 and the statements of income, deficit and source and application  
accounting procedures and such tests of accounting records and other supporting

in our opinion these financial statements present fairly the financial position of  
source and application of its funds for the year then ended, in accordance with  
the preceding period.

THORNE, GUNN, HELLIWELL & CHRISTENSON  
Chartered Accountants



# ROBINSON COTTON MILLS LIMITED

## STATEMENT OF INCOME Year ended December 31, 1967 (with comparative figures for 1966)

	1967	1966
Revenue.....	\$369,298	\$377,141
EXPENSES:		
Depreciation, trucks and equipment.....	288	408
Other expenses.....	318,517	361,988
	<u>318,805</u>	<u>362,396</u>
Income before undernoted items.....	50,493	14,745
Interest earned.....	4,280	4,349
Income before income taxes.....	54,773	19,094
Income taxes (note 3).....	8,500	
NET INCOME FOR THE YEAR.....	<u>\$ 46,273</u>	<u>\$ 19,094</u>

## STATEMENT OF DEFICIT Year ended December 31, 1967 (with comparative figures for 1966)

	1967	1966
Deficit at beginning of year.....	\$299,329	\$318,423
Investment in Pinnacle Homes (Chateaugay) Ltd. written off.....	1	
	299,330	318,423
Net income for the year.....	46,273	19,094
DEFICIT AT END OF YEAR.....	<u>\$253,057</u>	<u>\$299,329</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1967  
(with comparative figures for 1966)

	1967	1966
SOURCE OF FUNDS:		
Operations		
Net income for the year.....	\$ 46,273	\$ 19,094
Add depreciation which does not involve a current outlay of funds.....	288	408
	<u>46,561</u>	<u>19,502</u>
APPLICATION OF FUNDS.....	Nil	Nil
Decrease in working capital deficiency.....	46,561	19,502
Working capital deficiency at beginning of year.....	341,121	360,623
Working capital deficiency at end of year.....	<u>\$294,560</u>	<u>\$341,121</u>

# ROBINSON COTTON MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1967

1. Since 1960 no depreciation has been provided on the mill building. Normal depreciation would have been as follows:

1967.....	\$11,538
1966.....	12,145
Prior years.....	<u>71,013</u>
	<u>\$94,696</u>

2. By reason of a demand made by Canadian Imperial Bank of Commerce W. W. Robinson, one of the guarantors of a bank loan made to the company in November, 1964, has taken over the position of such bank and the securities for the loan held by such bank. The loan carries interest at current bank rates.

3. No provision for income taxes was required in 1966 as a result of the application of prior years' losses. Income taxes for 1967 have been reduced by \$9,834 because income taxes are calculated on the basis of claiming capital cost allowances in excess of depreciation recorded in the accounts. Capital cost allowances deductible in determining income taxes in future years may be less than depreciation recorded in the accounts.

4. There is a balance to the credit of the company of \$66,754 with Sun Life Assurance Company of Canada which is not included among the assets in the accompanying balance sheet. This balance has arisen through withdrawals from the company's pension plan and may be utilized by the application of premiums due. The extent to which it is otherwise recoverable has yet to be determined.

5. Direct remuneration of directors and senior officers (as defined by The Corporations Act):

Director.....	\$15,548
Other employees.....	<u>34,452</u>
	<u>\$50,000</u>



ROBINSON COTTON MILLS  
LIMITED

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ANNUAL REPORT  
for the  
Year ended December 31, 1967

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BOARD OF DIRECTORS

W. W. ROBINSON	W. H. ROBINSON
F. SLATER	W. W. BURKART

OFFICERS

W. W. ROBINSON	- - - - -	<i>Chairman</i>
W. H. ROBINSON	- - - - -	<i>President and Managing Director</i>
W. W. BURKART	- - - - -	<i>Vice-President</i>
JOHN F. PERRETT, Q.C.	- - - - -	<i>Secretary</i>

BANKERS

THE CANADIAN IMPERIAL BANK OF COMMERCE

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TRANSFER AGENTS AND REGISTRARS

NATIONAL TRUST COMPANY LIMITED

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AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON

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SOLICITORS

ROBERTSON, LANE, PERRETT, FRANKISH AND ESTEY